



Memorandum

TO: State Legislators
FROM: Tony Daunt, Director of Operations
CC:
DATE: October 8, 2015
RE: Electric Choice

On September 30, 2015, global financial services firm UBS released their latest analysis of Senate Bill 437. We think it speaks for itself.



From UBS Report:

Testimony being taken in September/October by the Michigan Senate for its proposed energy bill which could be passed this Fall: As expected, the Michigan Senate Energy and Technology Committee as led by State Senators Mike Nofs and John Proos introduced energy legislation on July 1 that would likely end electric choice as it is today and replace current renewable standards with a broader clean energy standard. Two separate bills (SB 437 and 438) call for integrated resource planning (IRP) to replace the current renewable energy and energy efficiency standards by 2019. The effect of this would be to place more responsibility on the Public Service Commission (MPSC) for the establishment of both clean energy goals and reserve planning, with IRP parameters set every four years and IRPs filed by the utilities every three years. Now that the legislature is back in session in September, we expect a version of the legislation to progress out of the Committee in the coming weeks for full consideration by the Senate and House. We expect that process to move rapidly if Nofs is successful in garnering widespread agreement for any resulting compromise draft.

Senator Nofs' bill looks good for CMS and DTE and would likely end customer choice through tougher rules.

(UBS Report, Sept. 30, 2015, p. 4)